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STATE OF MICHIGAN DEPARTMENT OF LABOR

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

In the Matter of:

MERC Fact Finding Case No. L84 G-562

CLARE-GLADWIN INTERMEDIATE SCHOOL DISTRICT

-and-

CLARE-GLADWIN INTERMEDIATE SCHOOL DISTRICT

EDUCATION ASSOCIATION, MEA, NEA

Ira Polley

HEARINGS OFFICER FACT FINDING REPORT AND RECOMMENDATIONS

APPEARANCES: School District:

Andrew Angwin, Labor Consultant, Michigan Association of

School Boards

G. R. Zubulake, Superintendent

Russell Thering, Assistant Superintendent

Jack D. Raymond, Business Manager

Association:

Judy Morris, UniServ Director, Michigan Education Association Ruth Nowland, Chair, Negotiation's Committee and Grievance Chairperson

Jay Kirchheimer, President, Clare ISD Education Association John Meeder, Research Consultant, Michigan Education Association Willie Davis, Field Representative, Michigan Education

Special Services Association

INTRODUCTION:

The Clare-Gladwin Intermediate School District has approximately 60 employees including 22 teachers. The District provides specialized services to 9300 students located in the five constituent local districts of Beaverton, Clare, Farwell, Gladwin, and Harrison.

Over the course of many years the Board and the Association have had collective bargaining agreements and have developed a mature relationship. Pare- Gladioin Intermediate School Winter

However, in 1984 the parties could not reach agreement on all the terms of a new agreement, despite many negotiating sessions. Mediation followed on August 16, 1984, November 7, 1984, and February 28, 1985. Nonetheless a number of issues remained unresolved when the Association on March 6 filed its petition for fact finding.

In accordance with the Rules and Regulations of the Michigan Employment Relations Commission, the undersigned Hearings Officer was designated, by letter dated April 23, to conduct a hearing and to issue a report in accordance with Rule 35 of the Commission's General Rules and Regulations. This Rule states that the Hearings Officer shall issue a report and recommendations with respect to the issue in dispute.

At the suggestion of representatives of the parties the Fact Finder held a pre-hearing conference in Mt. Pleasant, Michigan on May 15, 1985 to identify and clarify the issues in dispute. This conference was attended by Thomas E. Oakley, Labor Consultant Michigan Association of School Boards; Judy Morris, MEA UniServ Director; and Gretchen Dziadosz, MEA UniServ Director.

THE ISSUES:

The following issues were identified:

- 1. Salary Increases for the Professional Staff. The critical issue is how the precentage increase is to be applied.
- 2. The Cost of Medical Insurance. The Board is proposing a cost containment measure, and the Association sees no need for it.
- Snow Days. The closing of all or some of the five constituent school districts poses problems of scheduling and rescheduling of staff members.
- 4. Subcontracting. The Board and Association apparently consider this issue as the least difficult one.

The Fact Finding hearing opened at ten o'clock on June 27 in the Middle School in Harrison and recessed immediately to permit the Fact Finder to explore with Mr. Angwin, the Board's representative, and Ms. Morris, the Association's representative, the possibility of the parties coming to an agreement on the unresolved issues. Dr. Zubulake, the Superintendent, and Dr. Nowland, Chair of the Association's Negotiations Committee, held a number of discussions together and with their own colleagues on the salary issue. However, when agreement was not reached, the formal Fact Finding hearing began about 2:00 p.m. and continued for almost four hours. In the hearing I found that both Mr. Angwin and Ms. Morris presented their exhibits, facts, and views in an orderly, comprehensive, and constructive manner.

DISCUSSION OF ISSUES AND THE RECOMMENDATIONS OF THE HEARINGS OFFICER:

I. The Salary Issue

The Board and the Association have been attempting to develop a three-year contract. The impasse with reference to salary relates

to three years, 1984-85, 1985-86, and 1986-87.

Table A shows (1) the Salary Schedule for 1983-84 as shown in the most recent agreement; (2) the Association's Proposal for 1984-85; and (3) the Board's Proposal for 1984-85.

- Table B shows (1) the Association's Proposal for 1985-86 and (2) the board's Proposal for 1985-86.
- Table C shows (1) the Association's Proposal for 1986-87 and (2) the Board's Proposal for 1986-87.

Both the Board and the Association in their salary proposals submitted at the hearing propose a five percent increase for each of the years 1984-85, 1985-86, and 1986-87. But the parties differ in how the percentage is to be applied. The Board is proposing, for 1984-85, (1) a five percent increase on each of the salary figures under the BA column in the 1983-84 salary schedule; (2) a uniform \$530 increase across the remaining columns at the "0" step; (3) using the index to calculate the remaining salaries; and (4) no increase in the longevity. On the other hand, the Association is proposing, for 1984-85, a five percent increase on each of the figures under the BA column in the 1983-84 salary schedule; (2) a five percent increase on the 1983-84 salary schedule across the top of the columns at the "0" step; (3) using the index to calculate the remaining salaries; and (4) a five percent increase in the longevity scale.

What are the differences in dollars between the two methodologies? The Board (Exhibits 31 and 33) has supplied the following figures for each of the three years:

	1984-85	1985-86	1986-87
Association's Proposal	\$600,212	\$642,084	\$685,483
Board's Proposal	\$598,270	\$638,012	\$679,112
Difference	\$ 1,942	\$ 4,072	\$ 6,371

The Association has slightly different estimates of the differences in cost. Its figures are \$2160, \$4773, and \$7437.

The Board, in its presentation of its case, does not contend that financial ability to meet the costs of salary increases, as well as health insurance, is a factor. Nonetheless, both the Board and the Association did present documentary and oral evidence on financial matters. Why was this done? Apparently both parties believe the evidence they have offered with reference to the finances of the district serves in some measure to support the logic and reasonableness of their proposals.

Accordingly, a brief review of this evidence appears appropriate. The Board developed the following points. The Clare-Gladwin District is not a wealthy district as is evidenced by the level of unemployment, the percentage of families who were receiving public assistance payments in June of 1984, and its State Equalized Valuation ranking among the intermediate districts.

TABLE A

Salary Schedule* 1983-84

Step 0 1 2 3 4 5 6 7 8 9	BA 16495 17402 18309 19316 20123 21031 21938 22845 23752 24660	+15 17025 17961 18897 19834 20770 21706 22643 23579 24516 25452	+30 17555 18520 19486 20451 21417 22382 23348 24313 25279 26244	+45 18055 19079 20074 21069 22063 23058 24053 25047 26042 27037	+60 18615 19638 20662 21686 22710 23734 24758 25781 26805 27829	+75 19145 20197 21251 22304 23357 24410 25463 26516 27569 28622
10	25567	26388	27210	28031	28853	29675
Step 0 1 2 3 4 5 6 7 8 9	BA 17320 18273 19225 20178 21130 22083 23036 23988 24941 25893	+15 17876 18859 19842 20826 21809 22792 23775 24758 25741 26725	(MA) +30 18433 19447 20461 21474 22488 23502 24516 25530 26544 27557	+45 18989 20033 21078 22123 23167 24211 25255 26300 27344 28389	+60 19546 20621 21696 22771 23846 24921 25996 27071 28146 29221	+75 20102 21208 22313 23419 24524 25630 26736 27841 28947 30052
	630	682	735	787		31358 892
Step		-	(MA)			
0 1 2 3 4 5 6 7 8 9	17320 18273 19225 20178 21130 22083 23036 23988 24941 25893 26846 600	17850 18832 19814 20795 21777 22759 23741 24722 25704 26686 27668	18380 19391 20402 21413 22424 23435 24445 25456 26467 27478 28489	18910 19950 20990 22030 23070 24110 25150 26190 27230 28270 29311	19440 20509 21578 22648 23717 24786 25855 26924 27994 29063 30132 800	+75 19970 21068 22167 23265 24363 25462 26560 27658 28757 29855 30954
	0 1 2 3 4 5 6 7 8 9 10 Step 0 1 2 3 4 5 6 7 8 9 10 1 2 3 4 5 6 7 8 9 10 10 10 10 10 10 10 10 10 10 10 10 10	0 16495 1 17402 2 18309 3 19316 4 20123 5 21031 6 21938 7 22845 8 23752 9 24660 10 25567 Assoc Step BA 0 17320 1 18273 2 19225 3 20178 4 21130 5 22083 6 23036 7 23988 8 24941 9 25893 10 26846	0 16495 17025 1 17402 17961 2 18309 18897 3 19316 19834 4 20123 20770 5 21031 21706 6 21938 22643 7 22845 23579 8 23752 24516 9 24660 25452 10 25567 26388 Association's Pro Step BA +15 0 17320 17876 1 18273 18859 2 19225 19842 3 20178 20826 4 21130 21809 5 22083 22792 6 23036 23775 7 23988 24758 8 24941 25741 9 25893 26725 10 26846 27708 630 682 Board's Propose Step BA +15 0 17320 17850 1 18273 18832 2 19225 19814 3 20178 20826 4 21130 21809 5 22083 22792 6 23036 23775 7 23988 24758 8 24941 25741 9 25893 26725 10 26846 27708 630 682 Board's Propose Step BA +15 0 17320 17850 1 18273 18832 2 19225 19814 3 20178 20795 4 21130 21777 5 22083 22759 6 23036 23741 7 23988 24722 8 24941 25704 9 25893 26686 10 26846 27668	0 16495 17025 17555 1 17402 17961 18520 2 18309 18897 19486 3 19316 19834 20451 4 20123 20770 21417 5 21031 21706 22382 6 21938 22643 23348 7 22845 23579 24313 8 23752 24516 25279 9 24660 25452 26244 10 25567 26388 27210 Association's Proposal for (MA) Step BA +15 +30 0 17320 17876 18433 1 18273 18859 19447 2 19225 19842 20461 3 20178 20826 21474 4 21130 21809 22488 5 22083 22792 23502 6 23036 23775 24516 7 23988 24758 25530 8 24941 25741 26544 9 25893 26725 27557 10 26846 27708 28571 630 682 735 Board's Proposal for 1986 (MA) Step BA +15 +30 0 17320 17850 18380 1 18273 18832 19391 2 25893 26725 27557 10 26846 27708 28571 630 682 735 Board's Proposal for 1986 (MA) Step BA +15 +30 0 17320 17850 18380 1 18273 18832 19391 2 19225 19814 20402 3 20178 20795 21413 4 21130 21777 22424 5 22083 22759 23435 6 23036 23741 24445 7 23988 24722 25456 8 24941 25704 26467 9 25893 26686 27478 10 26846 27668 28489	0 16495 17025 17555 18055 1 17402 17961 18520 19079 2 18309 18897 19486 20074 3 19316 19834 20451 21069 4 20123 20770 21417 22063 5 21031 21706 22382 23058 6 21938 22643 23348 24053 7 22845 23579 24313 25047 8 23752 24516 25279 26042 9 24660 25452 26244 27037 10 25567 26388 27210 28031 Association's Proposal for 1984-85** (MA) Step BA +15 +30 +45 0 17320 17876 18433 18989 1 18273 18859 19447 20033 2 19225 19842 20461 21078 3 20178 20826 21474 22123 4 21130 21809 22488 23167 5 22083 22792 23502 24211 6 23036 23775 24516 25255 7 23988 24758 25530 26300 8 24941 25741 26544 27344 9 25893 26725 27557 28389 10 26846 27708 28571 29433 630 682 735 787 Board's Proposal for 1984-85*** (MA) Step BA +15 +30 +45 0 17320 17850 18380 18910 1 18273 18832 19391 19950 2 19225 19814 20402 20990 3 20178 20795 21413 22030 4 21130 21777 22424 23070 5 22083 22799 23435 24110 6 23036 23771 22424 23070 5 22083 22759 23435 24110 6 23036 23741 24445 25150 7 23988 24722 25456 26190 8 24941 25704 26467 27230 9 25893 26686 27478 28270 10 26846 27708 28489 29311	0 16495 17025 17555 18055 18615 1 17402 17961 18520 19079 19638 2 18309 18897 19486 20074 20662 3 19316 19834 20451 21069 21686 4 20123 20770 21417 22063 22710 5 21031 21706 22382 23058 23734 6 21938 22643 23348 24053 24758 7 22845 23579 24313 25047 25781 8 23752 24516 25279 26042 26805 9 24660 25452 26244 27037 27829 10 25567 26388 27210 28031 28853 Association's Proposal for 1984-85** (MA) Step BA +15 +30 +45 +60 0 17320 17876 18433 18989 19546 1 18273 18859 19447 20033 20621 2 19225 19842 20461 21078 21696 3 20178 20826 21474 22123 22771 4 21130 21809 22488 23167 23846 5 22083 22792 23502 24211 24921 6 23036 23775 24516 25255 25996 7 23988 24758 25530 26300 27071 8 24941 25741 26544 27344 28146 9 25893 26725 27557 28389 29221 10 26846 27708 28571 29433 30296 630 682 735 787 840 Board's Proposal for 1984-85*** (MA) Step BA +15 +30 +45 +60 0 17320 17850 18380 18910 19440 1 18273 18832 19391 19950 20509 2 2593 26725 27557 28389 29221 10 26846 27708 28571 29433 30296 630 682 735 787 840 Board's Proposal for 1984-85*** (MA) Step BA +15 +30 +45 +60 0 17320 17850 18380 18910 19440 1 18273 18832 19391 19950 20509 2 19225 19814 20402 20990 21578 3 20178 20795 21413 22030 22648 4 21130 21777 22424 23070 23717 5 22083 22799 23435 244110 24786 6 23036 23741 24445 25150 25855 7 23988 24722 25456 26190 26524 8 24941 25704 24445 25150 25855 7 23988 24722 25456 26190 26924 8 24941 25704 24445 25150 25855 7 23988 24722 25456 26190 26924 8 24941 25704 24445 25150 25855 7 23988 24722 25456 26190 26924 8 24941 25704 26467 27230 27994 9 25893 26686 27478 28270 29063 10 26846 27668 28489 29311 30132

^{*} Total cost, \$547,538 per Board

^{** 5%} increase above the 1983-84 scale down the BA column AND 5% increase above the 1983-84 scale across the top of the columns at the 0 step with the index applied down each column thereof. The Board estimates the cost at \$600,212

^{*** 5%} increase over the 1983-84 scale down the BA column AND \$530 flat dollar amount difference between the top of the columns at the 0 step with the index applied down each column thereof. The Board estimates the cost at \$598,270

TABLE B

Assocation's Proposal for 1985-86*

				(MA)			
Index	Step	<u>BA</u>	+15	+30	+45	<u>+60</u>	+75
1.000	0	18186	18770	19355	19938	20523	21107
1.055	1	19186	19802	20420	21035	21652	22268
1.110	2	20186	20835	21484	22131	22781	23429
1.165	3	21187	21867	22549	23228	23909	24590
1.220	4	22187	22899	23613	24324	25038	25751
1.275	5	23187	23932	24678	25421	26167	26911
1.330	6	24187	24964	25742	26518	27296	28072
1.385	7	25188	25996	26807	27614	28424	29233
1.440	8	26188	27029	27871	28711	29553	30394
1.495	9	27188	28061	28936	29807	30682	31555
1.550	10	28188	29094	30000	30904	31811	32716
Longevity	•	661	716	772	827	882	937

Board's Proposal for 1985-86**

	(MA)							
Index	Step	BA	<u>+15</u>	+30	+45	+60	<u>+75</u>	
1.000	0	18186	18716	19246	19776	20306	20836	
1.055	1	19186	19745	20305	20864	21423	21982	
1.110	2	20186	20775	21363	21951	22540	23128	
1.165	3	21187	21804	22422	23039	23656	24274	
1.220	4	22187	22834	23480	24127	24773	25420	
1.275	5	23187	23863	24539	25214	25890	26566	
1.330	6	24187	24892	25597	26302	27007	27712	
1.385	7	25188	25922	26656	27390	28124	28858	
1.440	8	26188	26951	27714	28477	29241	30004	
1.495	9	27188	27980	28773	29565	30357	31150	
1.550	10	28188	29010	29831	30653	31474	32296	
Longevity		600	650	700	750	800	850	

^{* 5%} increase above the 1984-85 scale down the BA column AND 5% increase above the 1984-85 scale across the top of the columns at the 0 step with the index applied down each column thereof. The Board estimates the cost at \$642,084

** 5% increase above the 1984-85 scale down the BA column AND 5% increase above the 1984-85 scale across the top of the columns at the 0 step with the index applied down each column thereof. The Board estimates the cost at \$638,012

TABLE C
Association's Proposal for 1986-87*

				(MA)			
Index	Step	BA	+15	+30	<u>+45</u>	+60	+75
1.000	0	19095	19709	20323	20935	21549	22162
1.055	1	20145	20793	21441	22086	22734	23381
1.110	2	21195	21877	22559	23238	23919	24600
1.165	3	22246	22961	23676	24389	25105	25819
1.220	4	23296	24045	24794	25541	26290	27038
1.275	5	24346	25129	25912	26692	27475	28257
1.330	6	25396	26213	27030	27844	28660	29475
1.385	7	26447	27297	28147	28995	29845	30694
1.440	8	27497	28381	29265	30146	31031	31913
1.495	9	28547	29465	30383	31298	32216	33132
1.550	10	29597	30549	31501	32449	33401	34351
Longevity	7	694	752	810	868	926	984

Board's Proposal for 1986-87**

				(MA)			
Index	Step	BA	+15	+30	+45	+60	<u>+75</u>
1.000	0	19095	19625	20155	20685	21215	21745
1.055	1	20145	20704	21264	21823	, 22382	22941
1.110	2	21195	21784	22372	22960	23549	24137
1.165	3	22246	22863	23481	24098	24715	25333
1.220	4	23296	23943	24589	25236	25882	26529
1.275	5	24346	25022	25698	26373	27049	27725
1.330	6	25396	26101	26806	27511	28216	28921
1.385	7	26447	27181	27915	28649	29383	30117
1.440	8	27497	28260	29023	29786	30550	31313
1.495	. 9	28547	29339	30132	30924	31716	32509
1.550	10	29597	30419	31240	32062	32883	33705
Longevity		600	650	700	750	800	850

^{* 5%} increase over the 1985-86 scale down the BA column AND 5% increase over the 1985-86 scale across the top of the columns at the 0 step with the index applied down each column thereof. The Board estimates the cost at \$685,483.

^{** 5%} increase over the 1985-86 scale down the BA column AND \$530 flat dollar amount difference between the top of the columns at the 0 step with the index applied down each column thereof. The Board estimates the cost at \$679,112.

In recent years many millage proposals have been defeated by the voters. In the last three years the State Equalized Valuation of the district has increased only 3, 3.5, and 1.35 percent. Since 1980 the percentage of State reimbursement for the operation of special education programs has declined markedly, and since 1979 the State reimbursement for transportation has also declined substantially. All of these factors have led the Board and its administrators to be concerned, understandably, about increasing costs and to place even more emphasis upon a prudent fiscal course.

As noted earlier, the Association has also presented evidence relating to the finances of the district. The Association (Exhibits 9 and 11) points out that the district had substantial General Fund balances in 1981-82, 1982-83, and 1983-84 -- amounting to 53, 85, and 81 percent of current operating expenses. Contemporaneously, the five constituent school districts had small General Fund balances -- ranging from 1.43 to 20.25 percent of current operating expenses, with most of the figures below 8 percent. The Clare-Gladwin district in 1982-83 and 1983-84 had fund balances in its Special Education Fund of \$243,044 (26.8%) and \$321,812 (30%), respectively. With Exhibit 8 the Association pointed out that the district had \$25,965 in earnings on investments and deposits in 1983-84.

Let us now look at the salary proposal of the Board and the salary proposal of the Association to see how they differ. First of all, it should be noted that both proposals have identical salary figures for those teachers with only the B.A. degree, ranging from step "0" through step "10". The B.A. minima and the B.A. maxima accordingly are identical. This is true for each of the three years (1984-85, 1985-86, and 1986-87). The identical results stem from the fact that both the Board and the Association are in agreement that the salary scale in the BA column for 1984-85, for example, should be the product of increasing the 1983-84 scale five percent.

The agreement ends at this point. In developing the salary scale for the five columns to the right of the BA column at step "0", the parties have followed different courses. The Board has added increments of \$530, following the practice adopted in contracts since 1979-80. For example, the \$17,320 for the BA Minimum becomes \$17,850 for the column under "+15"; the \$17,850 becomes \$18,380 for the column under "+30"; and so on.

In developing salary figures for the five columns to the right of the BA column at step "0", the Association has increased the prior year's salary figure five percent. For example, the 1983-84 salary figure under column "+15" was \$17,025. A five percent increase produces a new figure of \$17,876 for 1984-85; and a five percent increase on the \$17,555 figure under column "+30" for 1983-84 results in \$18,433 for 1984-85; and so on.

Both the Board and the Association use the Index of 1.000 through 1.55 to arrive at salary figures for steps "l" through "l0".

One further difference may be noted. The Association applies the five percent increase to longevity, whereas the Board proposes no increase in the longevity payment which has remained unchanged since 1980.

How are salaries affected by the different methods used by the Board and Association? In simple terms, the method used by the Association provides teachers, who have varying degrees of educational attainment and varying years of service, with a five percent salary increase. As earlier comments should have made clear, the method used by the Board provides teachers, other than those in the BA column, with less than a five percent increase. A few examples should eliminate any ambiguity. The teacher with 15 credits beyond the B.A. who is at step "7" in 1983-84 had a slary of \$23,579. A five percent would add \$1179 and produce a figure of \$24,758 for the 1984-85 year. Parenthetically, this is the same amount as shown in the Association's proposal. The method used by the Board produces an increase of \$1143, rather than \$1179, and a salary of \$24,722 for 1984-85. Similar calculations for the MA column step 10 show that a five percent increase on the 1983-84 salary of \$27,210 would produce an increase of \$1361 and a salary figure of \$28,571 for 1984-85. The Board's method produces an increase \$1279, rather than \$1361, and a figure of \$28,489 for 1984-85. As a final example, note that a five percent increase on the 1983-84 salary of \$28,853 for teachers with the BA +60 at step 10 is \$1443 and would produce a salary of \$30296 for 1984-85. The Board's approach produces an increase of \$1279, rather than \$1443, and a 1984-85 salary figure of \$30,132. Clearly, all of these differences result from using increments of \$530 in the five columns at the top of the scale, rather than a five percent increase.

The Board offers a number of reasons to support its application of its proposed salary increase. First, it notes that salary increases, across the State, have been applied in several different ways. There is no single pattern. Second, it points out (Exhibit 32) that salary increases since 1977-78 in its district have been applied to the BA base, and that the \$530 increment has been used since 1979-80. Third, it emphasizes that, notwithstandinging how increases are applied, the salaries in its district are at the top of the scale when compared with either local districts in the area or other nearby intermediate districts.

The Association also offers a number of reasons in support of its salary proposal that provides for a five percent increase on each step across the board. First, it points out (Exhibits 5 and 6) that 46 intermediate districts in their 1983-84 contracts applied percentage increases across the board. Four of the six nearby intermediate districts were included in this group. A fifth district in 1983-84 negotiated a contract that provided for dollar amounts (not percentages) on an across-the-board basis, and the sixth district in its 1984-85 agreement provided a percentage increase across the board. The Association adds that the five constituent districts in the Clare-Gladwin district also provided for percentage increases across the board. Second, the Association maintains that percentage increases reward those teachers who have obtained additional education beyond the B.A. degree. It states that many teachers in intermediate districts must have advanced degrees in order to perform the highly specialized functions required in such districts. Third, the Association (Exhibit 3) points to the fact that since 1979 the ratio of the salary of career specialists to the salary of beginning specialists has declined markedly. It adds that its salary proposal will arrest this decline, whereas the Board's proposal will operate to continue the decline.

RECOMMENDATION:

The Fact Finder recommends, first, that the Board accept the Association's salary proposal for the years 1984-85, 1985-86, and 1986-87, with the exception of the Association's proposal on longevity. The Fact Finder recommends, second, that the Association accept the Board's position that there be no change in the longevity scale of \$600, \$650, \$700, \$750, \$800, and \$850. A brief word about the different proposals relating to longevity. There is in the record no evidence that would support a recommendation to change the existing longevity payments. Specifically, for example, the record contains no evidence relating to the amounts paid for longevity in other districts, nor evidence relating to increases that may have been provided in settlements in other districts. There may exist evidence on this subject, but it is not in the record.

The Fact Finder has been led by a number of considerations to conclude the evidence in the record supports the Association's proposal that the five percent salary increase be applied across the board. First, it must be noted that the Board and the Association have agreed that the salary for all steps in the BA column should receive a five percent increase in each of the three years of a new contract. Second, little, if any, evidence has been offered to demonstrate that the five percent increase should not be applied across the Board. To be sure, reference has been made to the fact that increments of \$530, rather than percentage adjustments, have been used since 1979-80. But this fact does not prove the practice has had a sound basis and should be continued. If the parties in any negotiations make reference to a "five percent increase", this reference suggests that all employees in fact receive a five percent adjustment. If teachers with the B.A. degree, beginning ones and those who have been in the system for ten years, are to receive a five percent increase, there appear to be no persuasive considerations to demonstrate that teachers with additional educational attainments including advanced degrees should not receive a similar increase. The intermediate districts in comparison with local districts, have, by and large, more highly specialized personnel including teachers who have earned many hours of college credit beyond the B.A. degree. The highly important responsibilities of intermediate districts require such personnel. The evidence shows that the overwhelming majority of the intermediate districts in the area, as well as throughout the State, apply percentage increases across the board.

Third, the evidence shows that the differences in the cost of the salary proposals of the Association are not large. As noted earlier, the Board has estimated the Association's proposal will cost \$1,942, \$4,072, and \$6,371 more than the Board's proposal in the three successive years of the new contract. The Association estimates the costs to be somewhat larger.

Finally, the evidence, to be sure, shows that the Clare-Gladwin district in its contracts has provided, in general, respectable salaries. As the Board spokesman, Mr. Angwin, in the hearing noted, the salaries in the district compare very favorably with the salaries in other intermediate districts in the area. The adoption of the Association's salary proposal will not change the Clare-Gladwin general position in this group of seven districts, although some salary differentials will be narrowed and some will be increased.

II. MEDICAL (HEALTH) INSURANCE

The proposal of the Board is a cost containment proposal. It is proposing that the teachers and the Board share, on a 50-50 basis, the increased premium costs of medical insurance in 1984-85, 1985-86, and 1968-87. It states that the increased costs for the 1984-85 school year is \$4,378.78, and adds that one-half of this amount is \$2,189.39 (Exhibit 6). The Association proposes the continuation of the 1983-84 contract language, under which the Board has paid the full premiums.

In the course of the Fact Finding hearing Ms. Willie Davis, Field Representative of MESSA, testified. She reported that in September of 1985 the medical insurance is being shifted from Equitable to Blue Cross-Blue Shield of Michigan. At that time, she testified there will be an automatic seven (7) percent decrease in premium costs. She said that MESSA - Equitable had increased rates rive percent, effective July 1, 1985. She added that the parties who reached contract settlements prior to May 15, 1985 did not experience this five percent increase in premiums, and would enjoy a cost freeze in July and August. When a Board and its local Association reach a settlement, the Board will be automatically shifted to MESSA-Blue Cross-Blue Shield and will enjoy the seven percent decrease in premium costs. This is seven percent less than the rates that were effective before the May 15 adjustment.

The evidence introduced at the hearing does not provide a basis for the comparison of the Clare-Gladwin health insurance with the coverage in other districts, local or intermediate. Nor does the evidence spell out the specific features of the cost containment strategies that a reported twenty-five percent of the districts have negotiated with their bargaining representatives. Nonetheless one observation appears appropriate. Employers and unions in the public sector, as well as in the private enterprise, have become concerned, understandably, about the increasing costs of health insurance. It is especially reassuring to learn that health insurance premiums for the Clare-Gladwin district can be decreased seven percent in September.

RECOMMENDATION:

In view of all the facts and the state of the record, the Fact Finder will not recommend adoption of the proposed cost containment. However, he recognizes that if the new carrier does not effectuate an arrest in the cost of health insurance, the issue will certainly arise again. He recommends that the existing contractual language be continued.

III. ACT OF GOD DAYS ("SNOW DAYS")

In the course of the Fact Finding hearing, Board and Association representatives demonstrated their resourcefulness and statesmanship by jointly developing contractual language to resolve uncertainties that might arise in the scheduling of teachers that might become necessary when inclement weather, health hazards, or Acts of God interrupted operations in the district.

The following language was agreed upon by representatives of the Board and Association, and they initialed their draft which is also attached to this report as Appendix A. The agreed upon language will replace Article XXVI (Continuity of Operation), paragraphs D and E.

"Article XXVI

"D. When a constituent district closes because of an Act-of-God day, then the Clare-Gladwin I.S.D. School District professional employee scheduled to be at that district is not required to report to work. If, or when, the constituent district is required by state law to make up the Act-of-God day, the professional employee shall reschedule his/her services to that district for that day, without additional compensation, as long as the day to be made up falls within the 185 days of the contract.

"E. If all five constituent districts are closed on a scheduled Clare-Gladwin Day School day by an Act-of-God, Day School employees need not report. If the Day School day must be made up by state law, the Clare-Gladwin I.S.D. School District Board/Administration will reschedule that day without additional compensation, as long as the day to be made up falls within the 185 days of the contract."

IV. Subcontracting

Representatives of the Board and the Association agreed in the Fact Finding hearing to continue to use the language in Article II, A, 11 of the 1983-84 contract.

The agreement contemplates that the Association will withdraw without prejudice a pending arbitration on this issue.

CONCLUSION:

The Fact Finder is aware that the long period of negotiations created some stresses and strains. However, his observation of the representatives of the Board and the Association has convinced him that these able individuals have the capacity, the good faith, and the motivation to join forces in working to continue providing a high degree of excellence to the educational services that the Clare-Gladwin district provides.

Ira Polley Fact Finder July 24, 1985 A STAR

Article XXVI

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